

MEDIAN HOUSE PRICES IN LAVENHAM ARE WELL ABOVE AVERAGE, PARTICULARLY FOR TERRACED HOUSING AND FLATS

House price statistics are available at lower layer super output area (LSOA) level – for ‘Babergh 001B’, which is contiguous with the Lavenham parish boundary. In the year to September 2022, the average (median) price of houses sold in Lavenham parish was £420,000 – 27% above the Babergh district average (£330,000) and 50% above the Suffolk county average (£280,000) (Chart 1.1).

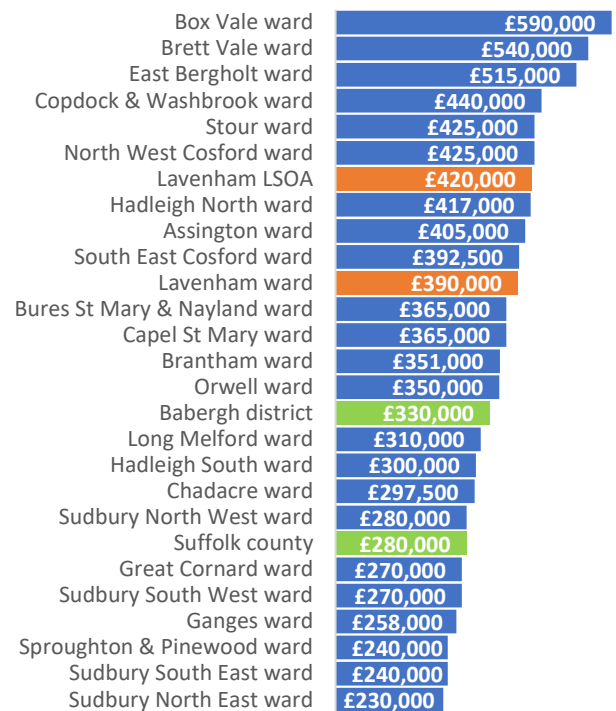
It is important to note that average house price statistics for LSOAs are not mix-adjusted, i.e. weighted by type of housing sold, so a higher average house price may reflect a higher proportion of large housing sold during the period, and vice versa.

House price statistics for different types of housing are available at ward level. Due to the above data not being mix-adjusted, average prices by type of housing provide a more reliable picture of housing values in small areas.

In Lavenham ward – which covers the four parishes of Cockfield, Lavenham, Little Waldingfield and Great Waldingfield – the average house price in the year to September 2022 was £390,000 – 18% above the Babergh district average, 39% above the Suffolk county average and ranking the ninth highest of all 24 wards in Babergh.

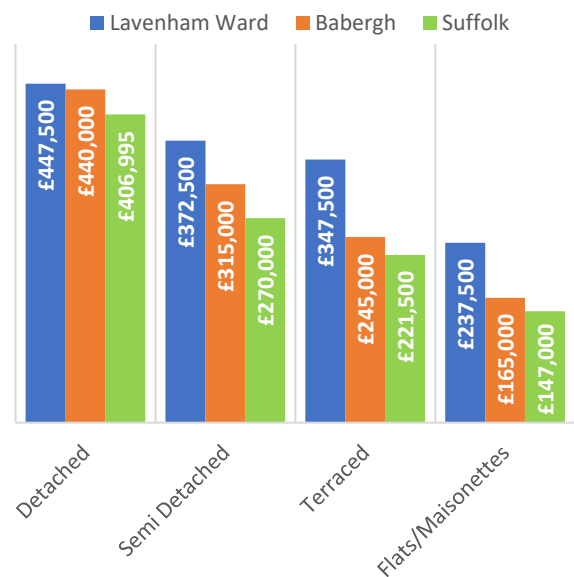
Average prices in Lavenham ward were above district and county averages for all types of property, particularly terraced housing (42% and 57% higher than district and county averages) and flats/maisonettes (44% and 62% higher than district and county averages), as shown in Chart 1.2.

CHART 1.1: MEDIAN HOUSE PRICES IN LAVENHAM, BABERGH WARDS, AND DISTRICT AND COUNTY AVERAGES, YEAR TO SEPT-22



Source: House Price Statistics for Small Areas, Office for National Statistics

CHART 1.2: AVERAGE PRICES BY TYPE OF HOUSING, YEAR TO SEPT-22



Source: House Price Statistics for Small Areas, Office for National Statistics

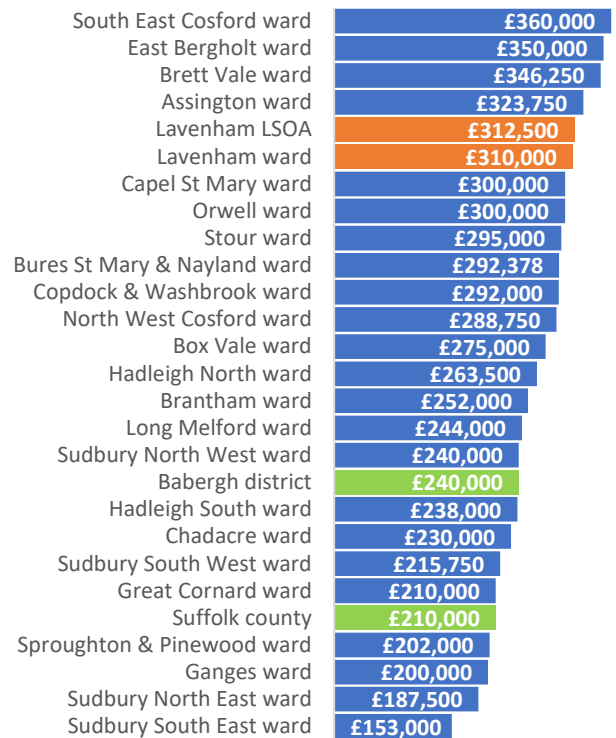
LOWER QUARTILE HOUSE PRICES IN LAVENHAM ARE ALSO WELL ABOVE AVERAGE, PARTICULARLY FOR FLATS AND SEMI-DETACHED HOUSING

The latest data for lower quartile (LQ) house prices is for the year to March 2022. The LQ house price (i.e. the value at the first quarter of all house sale values ranked by price and a better indication of housing affordability than the median house price) in Lavenham parish was £315,500 – 30% above the Babergh district average (£240,000) and 49% above the Suffolk county average (£210,000) (Chart 1.3). As above, average prices are not mix-adjusted and could reflect the size of housing sold in the area.

House price statistics at ward level shows that the LQ house price in Lavenham ward was similar to that for the parish, at £310,000 – 29% and 48% above district and county averages) and ranking the fifth highest of all 24 wards in Babergh.

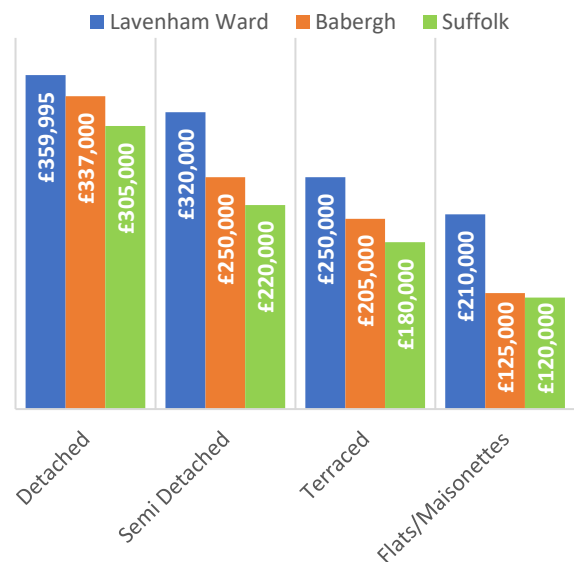
As with median prices, LQ prices in Lavenham ward were above district and county averages for all types of property, particularly flats/maisonettes (68% and 75% higher than district and county averages) and semi-detached housing (28% and 45% higher than district and county averages), as shown in Chart 1.4.

CHART 1.3: LQ HOUSE PRICES IN LAVENHAM LSOA, BABERGH WARDS, AND DISTRICT AND COUNTY AVERAGES, YEAR TO MAR-22



Source: House Price Statistics for Small Areas, Office for National Statistics

CHART 1.4: LQ PRICES BY TYPE OF HOUSING, YEAR TO MAR-22



Source: House Price Statistics for Small Areas, Office for National Statistics

THE CHEAPEST HOUSING IN LAVENHAM WARD WOULD REQUIRE AN ANNUAL HOUSEHOLD INCOME OF £51,000

These data can be used to build a picture of housing affordability in the area. Table 1.1 uses LQ prices for Lavenham ward for all types of property and applies some assumptions about deposits, interest rates and mortgages to calculate the minimum salary needed to purchase these properties.

This shows that even an entry level price of £210,000 for a flat would require an annual household income of £51,000. To put this in context, the National Living Wage will pay an annual salary of almost £20,400 from April 2023, while the lower quartile full-time salary for people living in Babergh district in 2022 was £23,800. Even median earnings were well below the level

required, at £31,100. To purchase a LQ-priced terraced property, a household income of £60,700 would be required, while household incomes of £77,700 and £87,400 would be required to purchase LQ-priced semi-detached and detached properties respectively.

A household's ability to buy is also dependent on saving an appropriate deposit. The calculations presented here assume a mortgage-to-house value of 85%, i.e. the purchaser can raise a deposit of 15%. It may be possible to secure a mortgage with a lower deposit but this would require even higher income levels. It therefore seems reasonable to conclude that many young people and low-income households with a connection to Lavenham and looking to get onto the housing ladder would need significant support to set up home in their community.

TABLE 1.1: ANNUAL INCOME REQUIREMENTS FOR PURCHASING HOUSING AT LOWER QUARTILE PRICES IN LAVENHAM WARD

	Lower Quartile House Prices in Lavenham Ward (year-to-Mar-22)	15% deposit	Annual Income Required (Based on mortgage lending principle of 3.5 times income)	Monthly Mortgage Payment (Based on repayment mortgage at 5% interest repaid over 25 years)
Detached	£359,995	£53,999	£87,427	£1,789
Semi-Detached	£320,000	£48,000	£77,714	£1,590
Terraced	£250,000	£37,500	£60,714	£1,242
Flats/Maisonettes	£210,000	£31,500	£51,000	£1,043
			Annual	Monthly
National Living Wage April 2023			£20,374	£1,698
Babergh Median Full-Time Annual Earnings 2022			£31,143	£2,595
Babergh Lower Quartile Full-Time Annual Earnings 2022			£23,759	£1,980

Sources: House Price Statistics for Small Areas, Office for National Statistics; Mortgage Calculator, Citizens Advice; Annual Survey of Hours and Earnings, Office for National Statistics

PROPERTIES CURRENTLY FOR SALE IN LAVENHAM RANGE FROM £165,000 TO £1,150,000

A review of property sales website, Rightmove, found 21 properties currently on the market in Lavenham. The median price, at £495,000, was much higher than the latest available data for the year to September 2022 (£420,000 for Lavenham parish), and would require an annual income of over £120,200 to purchase, using the above assumptions.

The LQ price, at £332,500, was also higher than the latest available data for year to March 2022 (£312,500 for Lavenham parish), and would require an annual income of almost £81,400 to purchase, using the above assumptions.

Just one property was priced below the Babergh lower quartile price noted above (£240,000) – a two-bedroom first floor apartment at £165,000. This would require an annual income of almost £40,100 to purchase.

TABLE 1.2: PROPERTIES FOR SALE IN LAVENHAM, MARCH 2023

Type	Number	Median Price	Lower Quartile Price	Cheapest Property	
All	21	£495,000	£332,500	2-bed apartment	£165,000
Detached	6	£587,500	£441,250	3-bed detached bungalow	£340,000
Semi-detached	3	£450,000	£430,000	3-bed semi-detached house	£430,000
Terraced	9	£499,995	£337,500	3-bed terraced house	£284,000
Flat/apartment	3	£280,000	£165,000	2-bed apartment	£165,000

Source: Rightmove, March 2023

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